

UNITED STATES DISTRICT COURT,
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

SHANTINIQUE TEAMER,
Plaintiff,

CASE NO.
COMPLAINT

vs.

29 USC §1132(a)(1)(B);
29 USC §1132(a)(3)

UNITED OF OMAHA LIFE
INSURANCE COMPANY,
FDI Group,

Defendants.

PLAINTIFF, SHANTINIQUE TEAMER, ALLEGES AS FOLLOWS:

INTRODUCTION.

1. This action arises under the Employee Retirement Income Security Act of 1974, 29 USC §§1001 et seq., and more particularly 29 USC §1132(a)(1)(B) and 29 USC §1132(a)(3) thereof. Plaintiff seeks to enforce the terms of a group life insurance policy as a beneficiary.

JURISDICTION AND VENUE.

2. This court has jurisdiction under 29 USC §1132(f), which grants to the federal courts concurrent jurisdiction to determine claims under 29 USC §§1001 et seq.

3. Venue is proper under 29 USC §1132(g) in that the defendants do business within the jurisdictional

1 limits of the United States District Court Eastern District
2 of Michigan.

3 4. Plaintiff is a resident of Dearborn Heights, Wayne
4 County, Michigan.

5 5. Kevin Cooper, the insured to the subject life
6 insurance policy and now deceased ("Insured"), was a
7 resident of Detroit, Wayne County, Michigan.

8 6. Defendant, FDI Group ("Defendant Employer"), in
9 its capacity as the policy sponsor and plan administrator is
10 a "party in interest" as defined under 29 U.S.C. §
11 1002(14)(a). Defendant FDI Group is a corporation duly
12 organized and existing under the laws of the State of
13 Michigan, and is authorized to conduct business in the
14 State of Michigan with its principal place of business in
15 Novi, Michigan.

16 7. Plaintiff is informed and believes that defendant,
17 United of Omaha Life Insurance Company ("UOO"), was and is
18 a Nebraska corporation, with its principal place of
19 business in Omaha, Nebraska.

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23 **ALLEGATIONS CONCERNING RELIEF SOUGHT.**

24 8. The deceased Insured was a long time employee of
25 Defendant Employer and was a Participant within the meaning
26 of 29 U.S.C. §1002(7), in the group life insurance policy
27 ("the Plan") that defendant UOO issued to FDI as Group
28

1 Policy No. GLUG-AR I8.

2 9. The Insured was covered under the Plan in the
3 amount of \$76,000. Additionally, the Insured was covered
4 under defendant UOO's long term disability insurance plan
5 and had an accepted claim at the time of his death. In
6 accord with that Plan, Insured was entitled to receive a
7 life insurance waiver of premium benefit. Accordingly,
8 Insured's life insurance premiums were fully waived and
9 Insured's life insurance from UOO in force at the time of
10 his death.
11

12 10. Plaintiff is the valid, undisputed beneficiary of
13 the Plan.
14

15 11. Plaintiff holds the plan administrator
16 accountable for, inter alia, negligence, unlawful claims
17 handling, failure to pay ERISA plan benefits, and failure
18 to provide Plan documents.
19

20 **COUNT I.**

21 **ENFORCEMENT UNDER ERISA §502(a)(1)(B), 29 U.S.C.**

22 **§1132(a)(1)(B) FOR FAILURE TO PAY ERISA PLAN BENEFITS.**

23 12. Plaintiff repeats, realleges and incorporates by
24 reference the allegations contained in all prior paragraphs
25 as though fully set forth herein.

26 13. Insured at all times herein mentioned performed
27 all the terms and conditions, and paid all premiums, or had
28

1 premium payments waived, of the defendant's life insurance
2 plan of which he had been made aware on his part to be
3 performed. After the Insured died, defendants contended
4 Insured was not covered under the Plan, even though at the
5 time of Insured's death, the subject policy was in full
6 force and effect, and Insured had an accepted long term
7 disability claim with UOO. Insured had no knowledge he was
8 considered not benefit eligible prior to his death due to
9 lack of premium payments. If plaintiff was not in fact
10 benefit eligible, by defendants' acts and omissions
11 defendants have waived the requirement of benefit
12 eligibility.
13
14

15 14. Accordingly, Plaintiff seeks appropriate relief
16 under 29 USC §1132(a)(1)(B), and ERISA § 502(a)(3) (29
17 U.S.C. § 1132(a)(3)), which includes equitable estoppel and
18 waiver.
19

20 **COUNT II.**

21 **Claim for Equitable Relief Pursuant to ERISA § 502(a)(3)** 22 **Against Defendants UOO and FDI Group.**

23 15. Plaintiff repeats, realleges and incorporates by
24 reference the allegations contained in all prior paragraphs
25 as though fully set forth herein.
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1 16. ERISA section 502(a)(3), 29 U.S.C. § 1132(a)(3),
2 permits a plan participant to bring a civil action to
3 "enjoin act or practice which violates any provision of
4 this subchapter or the terms of the plan" or to "obtain
5 other appropriate equitable relief" to redress violations
6 of ERISA, the Plan, or to enforce any provisions of the
7 Plan ERISA subchapter 1.

8 17. At all material times herein, Defendants UOO and
9 FDI Group were fiduciaries with respect to the Plan.

10 18. Under ERISA section 404(a)(1), 29 U.S.C. §
11 1104(a)(1), Defendants UOO and FDI Group were obliged to
12 discharge their duties for the "exclusive purpose" of
13 providing benefits to participants and their beneficiaries,
14 and with the "care skill, prudence and diligence under the
15 circumstances then prevailing that a prudent man acting in
16 a like capacity and familiar with such matters would use in
17 the conduct of an enterprise of a like character and with
18 like aims."

19 19. Insured was justified in relying on the material
20 non-disclosures and actions of Defendants. Insured's
21 reposed trust and confidence in the knowledge, integrity
22 and fidelity of Defendants, and each of them, and Insured
23 relied on the good faith and integrity of Defendants, and
24 each of them. As a result of Insured's confidence, trust
25 and faith in the knowledge and integrity of the Defendants,
26 Insured was justified in relying on the nondisclosures and
27 actions of the Defendants described above, and thereby the

1 Plaintiff was prevented until after the Insured's death
2 from submitting evidence of Insured's eligibility for life
3 insurance coverage under the Plan.

4 20. In the event the Court dismisses Plaintiff's
5 First Claim for Relief or rules in favor of Defendants on
6 that cause of action, Plaintiff asserts in the alternative
7 that because of Defendants' fiduciary breaches, the Insured
8 was prevented from complying, if premiums were not waived
9 due to the granting of long term disability benefits, with
10 the payment of premiums provisions terms of the Plan and
11 Policy.

12 21. To redress Defendants' violations of their
13 fiduciary duties, Plaintiff requests the that the Court
14 confer one or more of the following forms of equitable
15 relief: 1) an equitable surcharge against Defendants UOO
16 and/or FDI Group (in an amount equal to Plaintiff's
17 benefits due under the life insurance Plan should the Court
18 rule against Plaintiff on Plaintiff's First Claim for
19 Relief); 2) equitable reformation (by rewriting and/or
20 modifying the terms of the Plan that govern the payment of
21 life insurance premiums; and/or 3) equitable estoppel by
22 estopping defendants from relying on any affirmative
23 defense based on the failure to pay premiums provisions.

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25 22. Defendants should be estopped from denying
26 plaintiff's life insurance benefits based on a failure to
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1 be in an eligible class because (1) the defendants as
2 fiduciaries of the benefit plan breached their fiduciary
3 duties by failing to communicate to Insured the proper
4 eligibility requirement for life insurance, and (2) Insured
5 relied on defendants' acts and omissions to assume he had
6 disability insurance and to his detriment never had the
7 opportunity to continue life insurance through his
8 employer. Plaintiff contends he is entitled to
9 "appropriate equitable relief" in the form of equitable
10 estoppel, under ERISA § 502(a)(3) to remedy defendants'
11 breach of fiduciary duty as set forth below.
12

13
14 23. Equitable estoppel and waiver are available in
15 the ERISA context since (1) defendants knew, or should have
16 known, that Insured was covered by his group life insurance
17 plan when he was approved for group long term disability
18 benefits and that Insured expressly stated his need to keep
19 his life insurance coverage; (2) defendants knew, or should
20 have known, that Insured would rely on defendants' advice
21 on how to keep life insurance benefits and assume he had
22 life insurance benefits if there was no change in his
23 disability status; (3) Insured was ignorant of any alleged
24 requirement to pay for life insurance benefits and that he
25 was not benefit eligible without such payment; (4) Insured
26 relied on defendants' decision to continue life insurance
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1 benefits in 2017 as an approval of his eligibility after
2 his employment ended due to his disability; (5) and the
3 extraordinary circumstance that the granting of life
4 insurance benefits for over six months without any election
5 of benefits, or with regard to the Insured's employment
6 status, would cause a reasonable person to believe they met
7 the eligibility requirements for life insurance benefits.
8

9 24. The Insured at all times herein mentioned
10 performed all the terms and conditions known to him in the
11 defendant's life and disability insurance plans to be
12 performed.
13

14 25. Accordingly, ERISA Section 502(a)(3) allows a
15 plan participant to sue to enjoin any act or practice that
16 violates any provision of Title I of ERISA or the terms of
17 the plan, or to obtain other appropriate equitable relief
18 to redress such violations or enforce any provisions of
19 Title I of ERISA or the terms of the plan. The Court
20 possesses the power to provide equitable relief in the form
21 of estoppel, and/or waiver to correct the loss, which
22 resulted from a plan fiduciary's breach of duties.
23

24 26. Defendants were and are ERISA fiduciaries and
25 exercised fiduciary authority with reference to Insured's
26 life and disability insurance claims and appeals because
27 defendants exercised discretionary authority over those
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1 decisions to grant life and disability insurance benefits
2 and then to deny life insurance benefits. Defendants'
3 duties, as claims and appeals administrator, involved more
4 than simply complying with the specific duties imposed by
5 the plan documents or the statutory regime. Defendants also
6 had duties as fiduciaries to perform such activities that
7 are the ordinary and natural means of achieving the
8 objectives of the plan. An objective of the plan is and
9 was to provide participants and with life insurance
10 benefits pursuant to the terms of the plan.
11

12 27. Thus, defendants, as ERISA fiduciaries, had
13 affirmative duties, above and beyond the terms of the plan
14 as follows: To act in the best interests of participants
15 and their beneficiaries; of loyalty to the
16 interests of participants and beneficiaries, and thus to
17 deal fairly and honestly with participants and
18 beneficiaries. This includes the duty to disclose material
19 information, to inform participants and beneficiaries of
20 new and relevant information as it arises, and to advise
21 participants and beneficiaries of circumstances that
22 threaten interests relevant to the relationship. An ERISA
23 fiduciary must not only refrain from imparting
24 misinformation, it is also required to do more: it has an
25 affirmative obligation to provide complete and correct
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1 material information on the participant's and/or the
2 beneficiary's status and options; of care or prudence to
3 act as a prudent person would on behalf of the participants
4 and not misrepresent the terms or administration of a plan,
5 or if they fail to provide complete information, even
6 absent a request, a fiduciary has an obligation to convey
7 complete and accurate information material to the
8 beneficiary's circumstances, even when the beneficiary has
9 not specifically asked for the information. The scope of
10 the duty to disclose is governed by ERISA § 404(a) and is
11 defined by what a reasonable fiduciary, exercising care,
12 skill, prudence and diligence, would believe to be in the
13 best interests of the beneficiary to disclose. ERISA
14 fiduciaries have a duty of disclosure when there are
15 material facts affecting the interest of the beneficiary
16 which the fiduciary knows the beneficiary does not
17 know, but needs to know for his protection; and provide
18 beneficiary with information and/or documents even without
19 a written request for the information or documents by the
20 beneficiary, because, as a fiduciary, it has a duty to deal
21 fairly and communicate all material facts it knows or
22 should know in connection with the matter; and to act in
23 the beneficiary's best interests and for the
24 exclusive purpose of providing benefits to participants and
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1 their beneficiaries.

2 28. As alleged herein, defendants breached their
3 duties to act as prudent fiduciaries, requiring the
4 exercise of reasonable care, skill and prudence, when
5 defendants failed to disclose any requirement for Insured
6 to pay premiums to continue life insurance benefits, and
7 failed to properly inform Insured of the process to
8 continue life insurance waiver of premiums under the plans
9 for which Insured was eligible and qualified. Defendants'
10 conduct violated 29 U.S.C. § 1104(a), which requires that
11 plan fiduciaries discharge their duties with respect to
12 ERISA plans solely in the interests of the plan's
13 participants and beneficiaries. Therefore, in the event
14 defendants' breach of their fiduciary duties caused
15 plaintiff to be deprived of life insurance benefits which
16 she would have received had the Insured known of the proper
17 requirements under the terms of the plans had defendants
18 complied with their fiduciary duties of full communication,
19 then equity and good conscience require that: (1)
20 defendants be estopped to deny life insurance benefits to
21 plaintiff, and/or (2) that plaintiff be awarded other
22 appropriate equitable relief in order to make her whole and
23 remedy defendants' breach of fiduciary duties to plaintiff
24 plaintiff, and/or (2) that plaintiff be awarded other
25 appropriate equitable relief in order to make her whole and
26 remedy defendants' breach of fiduciary duties to plaintiff
27 plaintiff, and/or (2) that plaintiff be awarded other
28 appropriate equitable relief in order to make her whole and

1 of exercising reasonable care, skill, prudence, and
2 diligence under the circumstances and acting in the best
3 interests of beneficiaries.

4 29. As a proximate result of defendants' failure and
5 refusal to perform their obligations under the long term
6 disability plan, plaintiff has been compelled to retain
7 counsel to protect her rights under the plan, incurring
8 legal fees and costs that are recoverable pursuant to 29
9 USC §1145.
10

11 WHEREFORE, plaintiff prays for judgment against
12 defendants as follows:

13 1. For equitable estoppel against defendants, not
14 allowing denial of life insurance benefits based on the
15 Insured failing to pay premiums, thereby allowing plaintiff
16 life insurance benefits as a beneficiary, with prejudgment
17 interest on all unpaid benefits to date;
18

19 2. For equitable remedies including but not limited
20 to equitable surcharge and/or equitable reformation, for
21 Defendants' breaches of fiduciary duty;
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23 3. For compensatory damages;

24 4. For costs of suit herein;

25 5. For prejudgment interest;

26 6. For reasonable attorney fees paid by plaintiff
27 pursuant to 29 USC §1145;
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1 7. For such other and further relief as the court may
2 deem proper.
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7 DATED: November 29, 2019 Law Offices Of P. Randall Noah

8 By: /s/ P. Randall Noah

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10 Attorney for Plaintiff,
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